

Indiana Education: Making good investments even better

Energize Indiana invests \$1.25 billion over 10 years to help Indiana emerge from the national recession and to create 200,000 new high-wage, high-skill jobs, enroll 200,000 more Hoosiers in college and credential programs and increase Hoosiers' per capita income. Education has been Governor O'Bannon's top priority, and it is with the help of the Indiana General Assembly that the following accomplishments have been realized:

Indiana's Education Roundtable

Thanks to the work of the Roundtable and the State Board of Education, Indiana was recognized by President Bush for its accelerated progress in implementing standards set in the No Child Left Behind Act. The Roundtable has continued implementing comprehensive plans for school accountability, ensuring Indiana's K-12 public schools continue the improvement started in Public Law 221.

Community College of Indiana

In its third year, CCI has attracted record numbers of students and led the nation in enrollment increases for community colleges, with almost 10 percent more students enrolling in fall 2002 than the previous year. Agreements signed in the last year will allow CCI to expand to 13 additional campuses this year, bringing the total to 23 sites across the state.

21st Century Scholars Program

Supporting high-need students with good grades from seventh grade through college, this innovative program has been recognized by the U.S. Dept. of Education as one of the top 10 college preparatory and college access programs in the nation.

Energize Indiana will protect and improve education by creating the Indiana Growth Scholars Program, by providing funds for local schools and by providing additional assistance to higher education students through new and existing programs.

Indiana Growth Scholars Program

(IC 4-4-34; IC 6-3.1-25; IC 20-12-20.3; IC 22-4.1-7)

Indiana is one of the top 10 states for granting financial aid to college students, both in the total amount of aid and in the size of individual awards to students, according to the National Association of State Scholarship and Grant Programs. Energize Indiana will invest \$135 million in tobacco settlement trust fund dollars into the four-year Indiana Growth Scholars Program, which will provide scholarships for at least 22,000 students over four years who pursue college studies in Energize Indiana's [four targeted sectors](#) of advanced manufacturing, information technology, high-tech distribution and the life sciences. The program will start in FY04 and will run through FY07.

Growth Scholars program highlights

- Students must have successfully earned a Core 40 or Academic Honors Diploma from a qualified Indiana high school with a cumulative grade point average of at least 3.0 on a 4.0 scale.
- Students may receive up to \$4,000 per year for four years.
- Students must complete an internship, similar to student teaching, for which they receive six credit hours toward their degrees while being supervised by faculty. Employers receive a \$500 tax credit for providing an internship to the student and or for employing a scholarship student after graduation.
- Students must remain in Indiana for at least one year for each year the scholarship was received, or repay the award.
- The State Student Assistance Commission of Indiana will administer the program and will partner with the Department of Commerce to arrange internships with Indiana companies.

Growth Scholars program projected investments

Indiana Growth Scholars program is planned for four years to stimulate educational opportunities in four specific sectors. By building on an already-strong educational foundation, these scholarships will truly Energize Indiana with an investment of more than \$135 million.

Item description (annual figures)	FY04	FY05	FY06	FY07	Totals
Internship placements	5,386	5,547	5,714	5,885	22,532
Scholarship dollars awarded	\$27.0 M	\$23.5 M	\$23.5 M	\$23.5 M	\$97.5 M
Internship credit hour payment assistance	\$4.7 M	\$5.1 M	\$5.6 M	\$6.1 M	\$21.5 M
Internship employer tax credit incentives	\$4.0 M	\$4.0 M	\$4.0 M	\$4.0 M	\$16.0 M
TOTAL PROGRAM	\$35.7 M	\$32.6 M	\$33.1 M	\$33.6 M	\$135.0 M

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K-12 funding (IC 4-4-33)

Energize Indiana invests \$200 million in K-12 over the FY04-05 biennium, funded by securitized tobacco settlement payments. The money will be used to increase accountability and implement assessment standards and to eliminate the achievement gap between students of varying income levels or ethnic backgrounds.

Program funding

\$200 million for the FY04-05 biennium (\$125 M in FY04, \$75 M in FY05), funded from securitized tobacco settlement payments

Program components and investments

Existing needs:

- \$50 million: **Distributions for tuition support** for the **calendar year 2003** tuition support deficiency (schools are funded by calendar year)
- \$25.8 million: **Education technology grants** to upgrade technology in Indiana's poorest school corporations
- \$6 million: **Intelenet Internet Connection grants** to allocate funds to school corporations for Internet connections and equipment related to those connections.
- \$6 million: **Library Connection/INSPIRE** grants for Indiana libraries, including the INSPIRE project, an initiative that creates a virtual library on the Internet for communities and schools
- \$2 million: **School library printed materials grants** to provide school corporations a 50 percent match when they purchase library printed materials

New initiatives:

- \$10.2 million: **Technical Assistance Program** will help low-performing schools ensure continuous academic improvement for all Hoosier students
- \$100 million: **Academic achievement grants** will provide money to increase student performance in low-performing schools, eliminating the achievement gap and meeting standards set forth in Public Law 221. Energize Indiana provides \$50 million in each year of the biennium. Applications reviewed by a panel of education peers.

SSACI scholarship funding (IC 4-4-34)

Energize Indiana provides \$35 million to supplement an expected shortfall in student assistance from the State Student Assistance Commission of Indiana over the biennium. The shortfall is expected because of significant increases in universities' tuitions and enrollment.

Program funding

\$35 million for the FY04-05 biennium (\$10.1 million in FY04, \$24.9 million in FY05), funded from tobacco settlement trust fund dollars

Existing programs assisted

- \$16.1 million: The **Higher Education Award** provides grants for students attending public Indiana postsecondary institutions. Grants would be capped at \$4,700, the current maximum. Under this new cap, the grants would not fully fund tuition at all public institution because 2003-04 tuition for students attending IU Bloomington, IUPUI, Purdue and Ball State will exceed the cap. This will affect about 10,000 students of the 30,000 students who receive HEA grants.
- \$2.5 million: The **Freedom of Choice Award** goes to students who attend independent colleges in the state. The current year maximum award is \$9,300, which will be reduced to \$8,000 under Energize Indiana in order to meet budget demands. If Energize Indiana is not implemented, funding constraints will allow maximum awards of only \$6,500 in FY04 and \$6,000 in FY05. About 10,000 students receive these awards.
- \$15 million: Because the **21st Century Scholars Program** supplements both kinds of grants to provide full tuition for qualifying students, the fund must compensate for any shortfall created by reduced funding in those grants. Energize Indiana provides full tuition at public institutions and the maximum FOC supplement for independent college tuition. Currently, there are 8,900 recipients of 21st Century scholarships. Another 50,000 program participants are on track to receive scholarships.
- \$1.4 million: The **Statutory Fee Remission Fund** pays all tuition and mandatory fees at public colleges for children graduating from the Soldier's and Sailor's Home, children of disabled veterans and children and spouses of police or firefighters killed in the line of duty. Energize Indiana student assistance covers the cost of meeting this commitment. This program cost about \$11 million for 5,100 students in 2001.